



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Paul Rolf Jensen, Esq.
650 Town Center Drive
12th Floor
Costa Mesa, CA 92626

DEC 11 2008

RE: MUR 5408
Roger J. Stone, Jr.

Dear Mr. Jensen:

On May 24, 2005, you were notified that the Federal Election Commission found reason to believe that your client, Roger J. Stone, Jr., violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). After considering the circumstances of the matter, the Commission determined on December 3, 2008, to take no further action as to your client and closed the file as it pertains to him.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,


Camilla Jackson Jones
Attorney

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Roger Stone

MUR: 5408

I. INTRODUCTION

On May 3, 2005, the Commission found reason to believe that Roger Stone, a political consultant who reportedly worked for the Committee, violated 2 U.S.C. § 441a(a)(1)(A) by making excessive in-kind contributions to Sharpton 2004 and Andrew A. Rivera, in his official capacity as Treasurer, (f/k/a Rev. Al Sharpton Presidential Exploratory Committee) ("Sharpton 2004" or the "Committee"). The Commission authorized an investigation. After concluding its investigation, the Commission opted to exercise its prosecutorial discretion and take no further action as to Roger Stone.

II. FACTUAL AND LEGAL ANALYSIS

Alfred C. Sharpton was a candidate for the Democratic Party's nomination for President of the United States in the 2004 primary election and Sharpton 2004 was his principal campaign committee. Roger Stone was a political consultant who reportedly worked for the Committee at the beginning of the campaign.

The Commission found reason to believe the Stone made excessive contributions to the Committee, in violation of 2 U.S.C. § 441a(a)(1)(A), based, in part, on newspaper reports that Stone loaned in excess of \$200,000 to NAN during the pendency of the Sharpton campaign, which was ultimately used to pay for Committee expenses. Stone was also alleged to have paid for Sharpton 2004 campaign events and related travel using Stone's personal credit card. In connection with these findings, the Commission authorized an investigation and subpoenaed documents and testimony from Roger Stone.

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In his response to the Commission's interrogatories, Stone denied a "relationship" with the Committee and stated that he had made no contributions to the Committee and donated no goods or services. Stone Interrogatory Response at 1. Stone, who characterizes himself as a "personal friend" of Sharpton, did acknowledge soliciting contributions of \$250 from fourteen individuals for the Committee during the period in which Sharpton was seeking to qualify for the Commission's presidential primary matching fund program. *Id.* at 2. Stone also acknowledges that he loaned \$240,400 to the National Action Network ("NAN"). *Id.* A copy of the promissory note, which was attached to the response, provides details on five wire transfers to NAN totaling \$225,000, as well as \$15,400 for the costs associated with a NAN luncheon held at the Beverly Hilton Hotel and paid using Stone's credit card. Stone states he loaned the funds to NAN for "normal operating expenses ... and no other purpose." *Id.* at 1.

Neither Stone's response nor any records obtained during the course of the investigation, established that the Stone-derived funds were earmarked in any way for the Committee. Additionally, even though Stone made loans and contributions to NAN, no link has been established between Stone's loan to NAN and NAN's payments on behalf of the Committee.

Accordingly, the Commission has opted to exercise its prosecutorial discretion and take no further action against Roger Stone.